

REDEFINING CONVENIENCE

7-Eleven is transforming from convenience store chain to convenient solutions provider

7-Eleven Inc. has advanced its business model so far that calling it a convenience store chain is really no longer the proper term. Perhaps, “convenient solutions provider” would be a better way to describe the operator, franchisor and licensor of 8,313 U.S. 7-Eleven stores that once again ranks No. 1 on this year’s *Convenience Store News* Top 100 list.

Irving, Texas-based 7-Eleven sets out to not just serve customers, but to become an important part of the mosaic of their everyday lives. With this in mind, the retailer has a venture capital arm called 7-Ventures, as well as a 20-person innovation team that was founded in 2013.

The innovation team is responsible for integrating potential solutions into a testing environment and then scaling the viable ones into the larger overall organization. This process makes the team more flexible and improves its ability to identify potential solutions.

“We have been meeting needs for 88 years by being a convenience store defined by products and services in-store,” a 7-Eleven executive said last year regarding the innovation team. “We now need to evolve to being a convenient store defined by the problems it solves — inside the store, outside the store, we meet people where they are.”

The venture capital arm, 7-Ventures, has led to investments in several startups and other fledgling but more established companies. Examples include: KeyMe Inc., a self-service kiosk and digital solution intended to accurately and conveniently copy nearly every type of key; loyalty rewards app Belly Inc.; and delivery service providers DoorDash Inc. and Postmates Inc. 7-Eleven has implemented all of these company’s services in at least some of its stores.

“Part of business development is to learn about new products, new retail models and new technologies that help improve retail traffic and engagement,” noted one 7-Eleven executive. “And a lot of that innovation is coming from startups.”

Work by 7-Eleven’s innovation team also has resulted in partnerships with Zipcar and Amazon Locker. Regarding the Zipcar agreement, 7-Eleven customers



in the nation’s capital can reserve vehicles by the hour or by the day at a rate that includes gas, insurance and 180 miles of driving per day. Eighteen vehicles, including a Volkswagen Golf, Nissan Sentra and Ford Escape, are currently serving the Washington, D.C., community.

“7-Eleven works with established and startup companies to provide new ways to bring convenient solutions to time-pressed consumers’ everyday needs right in their neighborhoods,” according to a 7-Eleven executive. “Our partnership with Zipcar will help customers who want easy access to vehicles, when, where and for how long they prefer.”

The partnership with Amazon Inc. allows customers to have online orders delivered to Amazon Locker locations at more than 200 7-Eleven stores. Once delivered, customers can open the locker by scanning barcodes sent via email to their smartphones. This partnership benefits 7-Eleven and its store franchisees in two main ways: the rental fees it charges to have Amazon Locker take up real estate in the store, and increased foot traffic by customers who may opt to purchase in-store products while picking up their Amazon orders.

“We’re going from thinking about the transaction to thinking about the journey,” 7-Eleven Chief Marketing Officer Laura Gordon said. “Customers are expecting us to fit into their lives.”

— Brian Berk